

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: South Dakota

Requirements for Third Party Liability -  
Identifying Liable Resources

Computer edits will deny payment for claims submitted by providers and the recipient file indicates the existence of a third party resource and the service is not covered under the pay and chase waiver unless the claim indicates a third party payment has been received by the provider or that the third party has denied payment for the services.

The initiation of a recovery action is based on an accumulation of claims for services provided to an individual client in an amount not less than \$100.00 unless qualifying under items (a) or (b) below. Claims considered in this accumulation will be limited to claims for services that may be covered by the third party resource and that were provided during the term the third party was liable, however, in no instance will claims paid more than 15 months prior to the time the Recovery Unit becomes aware of the existence of liability by a third party be included in the accumulation except in the case of accident or trauma when all claims involved with the accident or trauma will be used.

- (a) When the claims are related to a previous recovery case the claims will be submitted to a third party for payment whenever the accumulated total of additional paid claims is \$40.00 or more.
- (b) When the third party is the Medicare program and a retroactive coverage period is involved the threshold to initiate recovery action will be claims totaling \$50.00 or more.

It has been determined that it is not cost effective to pursue recovery from a third party resource whenever the recovery would likely be less than \$100.00, unless there has been previous recovery case or the third party is the Medicare program. This threshold amount was established by estimating the various costs involved in initiating a recovery action including salaries and benefits, postage, copies, stationery, supervisory costs, attorneys fees, telephones, etc.